

FISCAL NOTE

SB 2164 - HB 2693

March 29, 2004

SUMMARY OF BILL: Creates a TennCare Assist program for health insurance to be provided through employers, as follows:

- Under this bill, an employer would have the option to offer TennCare Assist as an optional health insurance benefit to qualified employees so long as the employer offers other optional health insurance benefits to all employees who do not qualify for TennCare Assist.
- Qualified employees are Tennessee residents employed for 20 hours or more per week, have worked for an employer at least six weeks, make no more than the federal minimum wage per hour, and are not eligible for any other health insurance. Benefits under TennCare Assist would have to be identical to those provided to TennCare Standard enrollees. Employees would pay 30 percent of the cost but not more than \$40 per month and TennCare and the employer would equally fund the remainder.
- The program is subject to funding by the General Assembly and terms and conditions imposed by the federal government. Prohibits an employer from encouraging or assisting an employee to seek coverage from TennCare Medicaid or TennCare Standard instead of TennCare Assist. Any violation is a Class A misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$6,128,000 Recurring
\$238,000 One-Time

Increase State Revenues - Exceeds \$4,000,000

Increase Local Govt. Expenditures - Not Significant
Increase Local Govt. Revenues - Not Significant

Other Fiscal Impact - Increase Federal Expenditures -\$10,894,000One-Time
\$423,000One-Time

Estimate assumes:

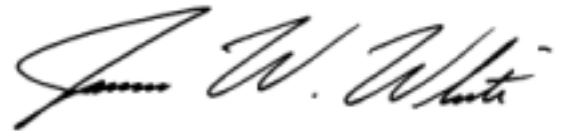
- Approximately 10,000 persons will be approved for the program at a cost of \$152 per member per month. Premiums will equal \$40 per month.
- The Department of Human Services will require \$3,582,000 recurring and \$661,000 one-time to implement eligibility certification for the program.

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- TennCare will pay the difference between the enrollee premium and the employer's contribution.
- The amount of premiums collected cannot be determined but is estimated to exceed \$4,000,000 at \$40 per month.
- Impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and a distinct "W".

James W. White, Executive Director